

BIG BROTHERS/BIG SISTERS OF QUESNEL
Financial Statements
Year Ended August 31, 2019

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Big Brothers/Big Sisters of Quesnel

We have reviewed the accompanying financial statements of Big Brothers/Big Sisters of Quesnel, which comprise the statement of financial position as at August 31, 2019, and the statements of changes in net assets, revenues and expenditures and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

In common with many charitable organizations, Big Brothers/Big Sisters of Quesnel derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory review procedures. Accordingly, verification of these revenues were limited to the amounts recorded in the records of Big Brothers/Big Sisters of Quesnel. Therefore we were unable to determine whether any adjustments might be necessary to donations and fundraising revenues, excess of revenues over expenditures, and cash flows from operations for the year ended August 31, 2019, current assets and net assets as at August 31, 2019.

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Independent Practitioner's Review Engagement Report to the Members of Big Brothers/Big Sisters of Quesnel (*continued*)

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the *Basis for Qualified Conclusion* paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Big Brothers/Big Sisters of Quesnel as at August 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with the Canadian accounting standards for not-for-profit organizations.

Report on Other Legal and Regulatory Requirements

As required by the Society Act (British Columbia), we report that, in our opinion, the Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding period.

Quesnel, BC
October 17, 2019


PMT CHARTERED PROFESSIONAL
ACCOUNTANTS LLP

BIG BROTHERS/BIG SISTERS OF QUESNEL

Statement of Financial Position

August 31, 2019

	General fund 2019	Capital Fund 2019	Restricted Fund 2019	Total 2019	Total 2018
ASSETS					
Current					
Cash	\$ 44,854	\$ -	\$ -	\$ 44,854	\$ 30,088
Accounts receivable (Note 3)	3,244	-	477	3,721	2,944
Prepaid expenses	-	-	984	984	1,384
Due from restricted fund	761	-	-	761	732
	48,859	-	1,461	50,320	35,148
Restricted cash (Note 4)	-	-	3,678	3,678	4,734
Long term investments (Note 5)	10,000	-	-	10,000	-
Capital assets (Note 6)	-	8,784	-	8,784	1,254
	\$ 58,859	\$ 8,784	\$ 5,139	\$ 72,782	\$ 41,136

The accompanying notes are an integral part of this statement.


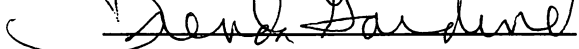
BIG BROTHERS/BIG SISTERS OF QUESNEL

Statement of Financial Position

August 31, 2019

	General fund 2019	Capital Fund 2019	Restricted Fund 2019	Total 2019	Total 2018
LIABILITIES					
Current					
Accounts payable and accrued liabilities	\$ 5,195	\$ -	\$ -	\$ 5,195	\$ 4,833
Employee deductions payable	-	-	-	-	735
Deferred revenue (Note 7)	-	-	4,951	4,951	3,820
Due to general fund	-	-	761	761	732
	5,195	-	5,712	10,907	10,120
Deferred contributions (Note 8)	-	7,790	-	7,790	-
	5,195	7,790	5,712	18,697	10,120
NET ASSETS					
Net assets	53,664	994	(573)	54,085	31,016
	\$ 58,859	\$ 8,784	\$ 5,139	\$ 72,782	\$ 41,136

ON BEHALF OF THE BOARD

 Director
 Director

The accompanying notes are an integral part of this statement.

BIG BROTHERS/BIG SISTERS OF QUESNEL

Statement of Changes in Net Assets

Year Ended August 31, 2019

	General fund	Capital Fund	Restricted Fund	2019	2018
Net assets - beginning of year	\$ 28,229	\$ 1,254	\$ 1,533	\$ 31,016	\$ 40,474
Excess (deficiency) of revenue over expenditures	25,435	(260)	(2,106)	23,069	(9,458)
Net assets - end of year	\$ 53,664	\$ 994	\$ (573)	\$ 54,085	\$ 31,016

The accompanying notes are an integral part of this statement.

BIG BROTHERS/BIG SISTERS OF QUESNEL

Statement of Revenues and Expenditures

Year Ended August 31, 2019

	General fund 2019	Capital Fund 2019	Restricted Fund 2019	Total 2019	Total 2018
Revenue					
British Columbia Gaming Commission	\$ -	\$ -	\$ 62,200	\$ 62,200	\$ 62,200
Donations (Note 2)	50,272	-	4,200	54,472	34,003
Fundraising	36,698	-	5,680	42,378	44,209
Renew crew	23,199	-	-	23,199	24,443
Grants	4,414	-	-	4,414	1,000
Memberships and other income	25	-	-	25	28
Amortization of deferred contributions related to capital assets (Note 7)	-	410	-	410	-
	114,608	410	72,080	187,098	165,883
Expenditures (Schedule 1)	89,173	670	74,186	164,029	174,814
Excess (deficiency) of revenue over expenditures from operations	25,435	(260)	(2,106)	23,069	(8,931)
Other income (expenditures)					
Gain (loss) on disposal of capital assets	-	-	-	-	(528)
Excess (deficiency) of revenue over expenditures	\$ 25,435	\$ (260)	\$ (2,106)	\$ 23,069	\$ (9,459)

The accompanying notes are an integral part of this statement.

BIG BROTHERS/BIG SISTERS OF QUESNEL**Statement of Cash Flows****Year Ended August 31, 2019**

	2019	2018
Operating activities		
Excess (deficiency) of revenue over expenditures	\$ 23,069	\$ (9,459)
Items not affecting cash:		
Amortization of deferred contributions related to capital assets	(410)	-
Amortization of capital assets	670	259
Loss on disposal of capital assets	-	528
	<u>23,329</u>	<u>(8,672)</u>
Changes in non-cash working capital:		
Accounts receivable	(777)	(1,663)
Prepaid expenses	400	2,548
Accounts payable and accrued liabilities	362	(873)
Employee deductions payable	(735)	735
Deferred revenue	1,131	590
	<u>381</u>	<u>1,337</u>
Cash flow from (used by) operating activities	<u>23,710</u>	<u>(7,335)</u>
Investing activities		
Purchase of capital assets	(8,200)	-
Increase (decrease) in restricted cash	1,056	(1,992)
Increase in long term investments	(10,000)	-
Increase in deferred contributions related to capital assets	8,200	-
Cash flow used by investing activities	<u>(8,944)</u>	<u>(1,992)</u>
Increase (decrease) in cash flow	14,766	(9,327)
Cash - beginning of year	30,088	39,415
Cash - end of year	\$ 44,854	\$ 30,088

The accompanying notes are an integral part of this statement.

BIG BROTHERS/BIG SISTERS OF QUESNEL

Notes to Financial Statements

Year Ended August 31, 2019

1. Purpose of the Society

Big Brothers/Big Sisters of Quesnel (the "Society") is a not-for-profit organization incorporated provincially under the Society Act of British Columbia. As a registered charity the Society is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

Big Brothers/Big Sisters of Quesnel is a local organization dedicated to helping children develop their full potential through friendship and mentoring programs.

2. Summary of significant accounting policies

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Description of funds

The General Fund reports the revenues and expenditures related to program delivery and administrative activities.

The Capital Fund reports the assets, liabilities, revenues, and expenditures related to the Society's capital assets.

The Restricted Fund reports externally restricted funds received from British Columbia Gaming Commission and fundraising through gaming events. The fund reports the assets, liabilities, revenues and expenditures as specified by British Columbia Gaming Commission criteria.

Revenue recognition

Big Brothers/Big Sisters of Quesnel follows the deferral method of accounting for contributions.

Contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. Restricted contributions received from British Columbia Gaming Commission and earned through gaming activities are recognized as revenue of the Restricted fund.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Fundraising revenue is recognized in the year when the related expenses are incurred in the General Fund. Donations received are recognized as revenue in the General fund when received.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

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BIG BROTHERS/BIG SISTERS OF QUESNEL

Notes to Financial Statements

Year Ended August 31, 2019

2. Summary of significant accounting policies *(continued)*

Cash and short term investments

Cash and cash equivalents consist of cash on hand less outstanding cheques and deposits with a maturity of less than three months at the time of purchase. When outstanding cheques are in excess of cash on hand, the excess is reported in bank indebtedness

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis at the following rates:

Office equipment 10%

The Society regularly reviews its capital assets to eliminate obsolete items.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Donated services and materials

The Society and its members benefit from and are appreciative of donated services in the form of volunteer time, which amounted to approximately 5,000 hours during the fiscal year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements. During the year, the Society received donated materials and prizes for fundraising events with a fair value of \$12,600. These donations have not been included in the statement of revenue and expenditures.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

3. Accounts receivable

	<u>2019</u>	<u>2018</u>
Accounts receivable	\$ 2,544	\$ 1,930
Goods and services tax recoverable - unrestricted	700	648
Unrestricted receivables	3,244	2,578
Goods and services tax recoverable - restricted	477	366
	<u>\$ 3,721</u>	<u>\$ 2,944</u>

BIG BROTHERS/BIG SISTERS OF QUESNEL

Notes to Financial Statements

Year Ended August 31, 2019

4. Restricted cash

	<u>2019</u>	<u>2018</u>
Gaming chequing account	\$ 3,445	\$ 4,501
Gaming savings account	234	234
	<u>\$ 3,679</u>	<u>\$ 4,735</u>

The Society has a Gaming Affiliation Certificate with the Licensing and Grants Division of the Gaming Policy and Enforcement Branch of the Ministry of Public Safety and Solicitor General. In order to receive gaming funds, the Society is required to have a separate bank account for gaming funds and expenditures are restricted by terms set by the Licensing and Grants Division. The Society also raises fundraising through gaming ticket sales in which expenditures are restricted.

5. Long term investments

	<u>2019</u>	<u>2018</u>
Integris Credit Union cashable term deposit earning interest at 1.8%, maturing April 24, 2024 (market value \$10,000)	<u>\$ 10,000</u>	<u>\$ -</u>

6. Capital assets

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Office equipment	\$ 10,797	\$ 2,013	<u>\$ 8,784</u>	<u>\$ 1,254</u>

7. Deferred revenue

	<u>2019</u>	<u>2018</u>
Restricted fund - Westjet ticket raffle	<u>\$ 4,951</u>	<u>\$ 3,820</u>

BIG BROTHERS/BIG SISTERS OF QUESNEL

Notes to Financial Statements

Year Ended August 31, 2019

8. Deferred contributions related to capital assets

Deferred contributions related to capital assets represent restricted contributions with which some of the Association's assets have been acquired. The changes in the deferred contributions related to capital assets balance for the year are as follows:

	2019	2018
Balance, beginning of year	\$ -	\$ -
Contributions deferred	8,200	-
Amounts amortized to revenue	(410)	-
	<u>\$ 7,790</u>	<u>\$ -</u>

9. Director remuneration

The Society does not provide remuneration for the work done by the board of directors.

The Society does not provide remuneration to any of its employees in excess of \$75,000.

10. Financial instruments

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of August 31, 2019.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long-term debt, obligations under capital leases, contributions to the pension plan, and accounts payable.

There is no change in the risk exposure from the previous period.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Society is mainly exposed to interest rate risk on its long term investment.

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant other price risks arising from these financial instruments.

11. Economic dependence

The Society received approximately 35% of its revenue from the Province of British Columbia in the form of a grant and gaming funds. Should these be discontinued, management is of the opinion that continued viable operations would be doubtful.

BIG BROTHERS/BIG SISTERS OF QUESNEL

Expenditures

(Schedule 1)

Year Ended August 31, 2019

	General fund 2019	Capital Fund 2019	Restricted Fund 2019	Total 2019	Total 2018
Expenditures					
Activities	\$ 6,368	\$ -	\$ 1,933	\$ 8,301	\$ 8,888
Amortization	-	670	-	670	259
Bank charges and interest	24	-	-	24	392
Conference	1,744	-	-	1,744	-
Fundraising	13,495	-	-	13,495	10,824
Insurance	-	-	4,164	4,164	2,503
Licences, dues and fees	4,362	-	-	4,362	3,997
Office	4,253	-	4,440	8,693	6,907
Professional fees	3,357	-	-	3,357	6,650
Public awareness	2,942	-	1,442	4,384	4,068
Raffle expenses	-	-	478	478	105
Rental	820	-	9,459	10,279	10,543
Repairs and maintenance	-	-	23	23	400
Scholarships	500	-	-	500	1,000
Telephone and utilities	947	-	2,965	3,912	3,710
Travel	385	-	102	487	3,051
Wages and benefits	49,976	-	49,180	99,156	111,517
	\$ 89,173	\$ 670	\$ 74,186	\$ 164,029	\$ 174,814

The accompanying notes are an integral part of this statement.